

## Message Text

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46

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 COME-00

FRB-02 INR-09 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01 NSC-10 SS-14

STR-08 CEA-02 L-03 H-02 DODE-00 PA-03 USIA-12 PRS-01

AGR-20 ABF-01 FSE-00 RSR-01 /187 W  
----- 029965

R 270950 Z MAR 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 2633

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 3613

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/A

TAGS: EFIN JA

SUBJ: TOKYO FOREX MARKET - MAR 27

SUMMARY: DOLLAR HOLDS STEADY IN ACTIVE TRADING

1. VOLUME ON SPOT MARKET CONTINUED HEAVY TODAY, TOALING  
\$185. MIL. SPOT RATE RANGED BETWEEN 265.50 AND 265.70  
DURING DAY, WITH MOST TRANSACTIONS TAKING PLACE AT RATE  
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OF 265.65. VOLUME PRIOR TO NOON WAS APPROXIMATELY \$60 MIL. HEAVIER VOLUME WAS REGISTERED DURING AFTERNOON SESSION, TOTALING APPROXIMATELY \$125 MIL. ANALYSTS FORESEE CONTINUED STRONG DOLLAR DEMAND FOR BALANCE OF THIS WEEK. RECENT REPORTS SUGGEST THAT BOJ INTERVENING THIS WEEK TO MEET UNUSUALLY LARGE DOLLAR DEMAND.

2. RATES IN FORWARD MARKET WERE UP WITH 3- MONTH FORWARD (JUNE DELIVERY) AT 258.20, UP 1.20 FROM YESTERDAY'S CLOSE. SIX- MONTH FORWARD (SEP DELIVERY) CLOSED AT 254.0, UP .40 FROM PREVIOUS DAY. VOLUME IN THE FORWARD MARKET TOTALED APPROXIMATELY \$61 MIL WHILE VOLUME IN THE SWAP MARKET WALES TO U. S. AND DISCUSSIONS SHOULD WAIT UNTIL SITUATION CLARIFIED.

2. E/ COUNS COUNTERED WITH ARGUMENTS RE NECESSITY TO MOVE AHEAD AT THIS TIME. HE NOTED NEED FOR U. S. TO OBTAIN TRADE LEGISLATION AND DIFFICULTIES THAT WOULD RESULT IF TEXTILE ISSUE STILL UNDECIDED. HE SAID U. S. WISHED MOVE AHEAD IN TIME FRAME THAT WOULD ALLOW FOR CONCLUSION OF A MULTI- FIBER AGREEMENT, IF SUCH WERE FOUND TO BE POSSIBLE, PRIOR TO GENERAL GATT MEETING.

3. IN RESPONSE SUZUKI SAID THAT HE BELIEVED TARGET DATE FOR MULTI- FIBER AGREEMENT SHOULD BE SEPTEMBER 1974. THIS COULD BE ACCOMPLISHED BY SIMPLE EXTENSION OF LTA AND WOULD ALLOW TIME FOR GOJ TO EDUCATE JAPANESE TEXTILE INDUSTRY.

4. E/ COUNS PRESSED SUZUKI ON WHETHER JAPAN WOULD BE IN POSITION TO AGREE TO WORKING PARTY DISCUSSIONS OF POSSIBLE SOLUTIONS TO TEXTILE PROBLEM AT APRIL 4 MEETING. SUZUKI SAID HE UNDERSTOOD THAT EUROPEAN COUNTRIES AND GATT SECRETARIAT IN FAVOR OF SUCH A MOVE. HOWEVER, GOJ NOT YET DECIDED ON WHETHER IT ABLE ENTER DISCUSSIONS OF POSSIBLE SOLUTIONS OR ONLY DISCUSSIONS TO DEFINE PROBLEM.

5. SUZUKI STATEMENT REFLECTS CURRENT POSITION OF JAPANESE TEXTILE INDUSTRY. SPOKESMAN FOR INDUSTRY SHINZO OYA RECENTLY QUOTED IN PRESS AS SAYING JAPAN WOULD HAVE TO ENTER DISCUSSIONS, BUT THAT SUCH DISCUSSIONS SHOULD BE LIMITED TO DIFINITION OF PROBLEM AND NOT INCLUDE CONSIDERATION OF MULTI- FIBER AGREEMENT.

6. AMBASSADOR RAISED TEXTILE ISSUE WITH FONOFF DEPUTY VICE MINISTER TSURUMI AT LUNCH ON MARCH 7. TSURUMI SAID GOJ WORKING HARD TO CHANGE POSITION OF  
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TEXTILE INDUSTRY BUT HAD MADE NO PROGRESS TO DATE.  
HE DID NOT, HOWEVER, ENTIRELY EXCLUDE POSSIBILITY OF  
PROGRESS BEFORE APRIL 4.

7. SUZUJI PLANS TO LEAVE TOKYO APRIL 2 AND TO BE  
AVAILABLE FOR INFORMAL CONSULTATIONS WITH USDEL  
APRIL 3 IN GENEVA.  
INGERSOLL

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Status:** <DBA CORRECTED> jms 980102  
**Subject:** TOKYO FOREX MARKET - MAR 27 SUMMARY: DOLLAR HOLDS STEADY IN ACTIVE TRADING  
**TAGS:** EFIN, JA  
**To:** BERN  
BONN  
BRUSSELS  
CANBERRA  
EB  
LONDON  
LUXEMBOURG

SECSTATE WASHDC  
THE HAGUE

**Type:** TE

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